

term employment opportunities rather than merely transferring jobs from one area of the country to another;

(2) Be supported by significant private sector investment;

(3) Leverage or be a catalyst for the effective use of private, local government, State or other Federal funding that is available;

(4) Likely be started and completed in a timely fashion; and

(5) If the project is located in an area with a stable economy and low distress, provide employment opportunities for residents of nearby areas of high distress.

Subpart B—Other Requirements

§ 305.5 Pilot program.

(a) The Chicago Regional Office (CRO) has been authorized to conduct a pilot program through December of 1999 to develop simplified and streamlined procedures for monitoring approved EDA construction projects. Other EDA regional offices have been authorized to conduct their own pilot programs for monitoring compliance with the post-approval project management requirements, provided they first obtain the approval of the Deputy Assistant Secretary for Program Operations. The knowledge and efficiencies gained from the pilot programs will be evaluated and used to improve and revise EDA's post-approval project management requirements and procedures.

(b) As part of this pilot program, the procedures developed by CRO vary from those listed in this subpart B of part 305 in that they place greater reliance on a recipient's certification of compliance. No additional requirements are imposed by CRO procedures. CRO provides guidelines, in its version of the "Requirements for Approved Projects," to all recipients of grants for construction projects monitored by the CRO. The recipient is not required to submit to EDA certain documentation at any set time, but is required to maintain all documentation supporting any and all certifications submitted to CRO, for the period of time provided in 15 CFR part 14 or 24, as appropriate.

[64 FR 69875, Dec. 14, 1999]

§ 305.6 Project management conference.

After the EDA financial assistance award has been accepted by the recipient, EDA may schedule a planning conference with the recipient's representatives to explain the post-approval requirements for administration of the EDA assisted project.

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§ 305.7 Selection of the Architect/Engineer.

Guidelines for the selection of the Architect/Engineer (A/E), services to be performed by the A/E, contract provisions for those services and eligible fees for the A/E are as follows:

(a) Selection of the A/E may be by sealed bids using formal advertising or by competitive proposal procedures subject to negotiation of fair and reasonable compensation. The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.

(b) The A/E agreement shall provide for all services required by the recipient for the engineering feasibility, design and contract administration of the proposed project. Appropriate standards or guides developed by such professional organizations as the American Consulting Engineers Council, American Society of Civil Engineers, National Society of Professional Engineers, and/or the American Institute of Architects may be used where the grantee does not have standard procurement/contract documents.

(c) Exhibit A-1, Checklist for Architect/Engineer Services, in the EDA publication, *Requirements for Approved Construction Projects*, displayed at EDA's Web Site, <http://www.doc.gov/eda> (a copy of this publication is available from EDA and a copy will be furnished to an award recipient with the Offer of Financial Assistance), lists the contract provisions which EDA recommends for the A/E contract. The A/E agreement must be furnished to EDA in order for the allowability of the costs of A/E services to be determined.

(d) Eligible project costs may include, but not be limited to, costs for